



Massachusetts Housing Finance Agency
One Beacon Street, Boston, MA 02108

TEL: 617.854.1000 | FAX: 617.854.1091
VP: 866.758.1435 | www.masshousing.com

May 13, 2016

The Honorable Richard E. Neal
United States House of Representatives
314 Cannon House Office Building
Washington, DC 20515

Re: Support for The Consumer Financial Choice and Capital Markets Protection Act of 2015 (H.R. 4216)

Dear Representative Neal:

On behalf of MassHousing, I am writing to express our strong support for H.R. 4216, *The Consumer Financial Choice and Capital Markets Protection Act of 2015*, and urge you to support this critical legislation. The Securities and Exchange Commission's (SEC) new regulation regarding municipal money market funds (MMFs) will have serious negative consequences for municipal bond issuers like MassHousing when it takes effect in October of this year. Passage of H.R. 4216 will protect municipal bonds, while maintaining the SEC's other provisions that safeguard money market funds.

As a self-supporting not-for-profit public agency, MassHousing has provided more than \$18.5 billion in financing for homebuyers and homeowners, and for developers and owners of affordable rental housing. In recent years, MassHousing has also supported the Commonwealth of Massachusetts by contributing funds to offset budget cuts to state housing programs. These projects, which helped low-to-middle income families afford traditional mortgages through the recent financial crisis, are financed largely through the issuance of municipal bonds, which are often purchased by institutional investors through MMFs because they represent a stable and reliable investment.

When the SEC rule takes effect, MMFs that deal in municipal bonds will move from a stable \$1 per share net asset value (NAV) to a "floating" NAV, making these bonds less attractive to investors, particularly when measured against U.S. government bonds, which are exempt from this provision. The new rule has already prompted a number of major financial institutions to announce the liquidation of municipal MMFs, including many that have Massachusetts holdings. This will force a number of issuers to refinance their debt, potentially at higher costs. It will also limit MassHousing's options for safe and highly liquid investments which it has relied upon to manage cashflows and invest bond related funds.

H.R. 4216 will protect the borrowing ability of MassHousing and other municipal bond issuers across the Commonwealth. We urge you to support this legislation.

Thank you for your consideration. If you have any questions or would like to discuss the matter further, please feel free to contact me directly.

Sincerely,

Timothy C. Sullivan
Executive Director



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One Beacon Street, Boston, MA 02108

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May 13, 2016

The Honorable Michael E. Capuano
United States House of Representatives
1414 Longworth House Office Building
Washington, DC 20515

Re: Support for The Consumer Financial Choice and Capital Markets Protection Act of 2015 (H.R. 4216)

Dear Representative Capuano:

On behalf of MassHousing, I am writing to express our strong support for H.R. 4216, *The Consumer Financial Choice and Capital Markets Protection Act of 2015*, and urge you to support this critical legislation. The Securities and Exchange Commission's (SEC) new regulation regarding municipal money market funds (MMFs) will have serious negative consequences for municipal bond issuers like MassHousing when it takes effect in October of this year. Passage of H.R. 4216 will protect municipal bonds, while maintaining the SEC's other provisions that safeguard money market funds.

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May 13, 2016

The Honorable Elizabeth A. Warren
United States Senate
317 Hart Senate Office Building
Washington, DC 20510

Re: Support for The Consumer Financial Choice and Capital Markets Protection Act of 2015 (S.1802)

Dear Senator Warren:

On behalf of MassHousing, I am writing to express our strong support for S. 1802, *The Consumer Financial Choice and Capital Markets Protection Act of 2015*, and urge you to support this critical legislation. The Securities and Exchange Commission's (SEC) new regulation regarding municipal money market funds (MMFs) will have serious negative consequences for municipal bond issuers like MassHousing when it takes effect in October of this year. Passage of S. 1802 will protect municipal bonds, while maintaining the SEC's other provisions that safeguard money market funds.

As a self-supporting not-for-profit public agency, MassHousing has provided more than \$18.5 billion in financing for homebuyers and homeowners, and for developers and owners of affordable rental housing. In recent years, MassHousing has also supported the Commonwealth of Massachusetts by contributing funds to offset budget cuts to state housing programs. These projects, which helped low-to-middle income families afford traditional mortgages through the recent financial crisis, are financed largely through the issuance of municipal bonds, which are often purchased by institutional investors through MMFs because they represent a stable and reliable investment.

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S. 1802 will protect the borrowing ability of MassHousing and other municipal bond issuers across the Commonwealth. We urge you to support this legislation.

Thank you for your consideration. If you have any questions or would like to discuss the matter further, please feel free to contact me directly.

Sincerely,

Timothy C. Sullivan
Executive Director



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May 13, 2016

The Honorable Stephen F. Lynch
United States House of Representatives
2369 Rayburn House Office Building
Washington, DC 20515

Re: Support for The Consumer Financial Choice and Capital Markets Protection Act of 2015 (H.R. 4216)

Dear Representative Lynch:

On behalf of MassHousing, I am writing to express our strong support for H.R. 4216, *The Consumer Financial Choice and Capital Markets Protection Act of 2015*, and urge you to support this critical legislation. The Securities and Exchange Commission's (SEC) new regulation regarding municipal money market funds (MMFs) will have serious negative consequences for municipal bond issuers like MassHousing when it takes effect in October of this year. Passage of H.R. 4216 will protect municipal bonds, while maintaining the SEC's other provisions that safeguard money market funds.

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Executive Director